

REVIEW HOTEL INVESTMENT MARKET

GERMANY Q3 2026



RESEARCH & INSIGHTS



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Q3 2026

HOTEL INVESTMENT MARKET GERMANY

- LOW VOLUME, BUT HIGHEST DEAL COUNT SINCE Q1-Q3 2022
- DOMESTIC AND FOREIGN CAPITAL ON A PAR AGAIN

KEY FIGURES

1,034

Investment volume (€m)

▽ -27.4% y/y

15.0

Portfolio share (in %)

▽ -11.6pts y/y

14.6

Ø Deal size (in €m)

▽ -42.8% y/y

MARKET OVERVIEW

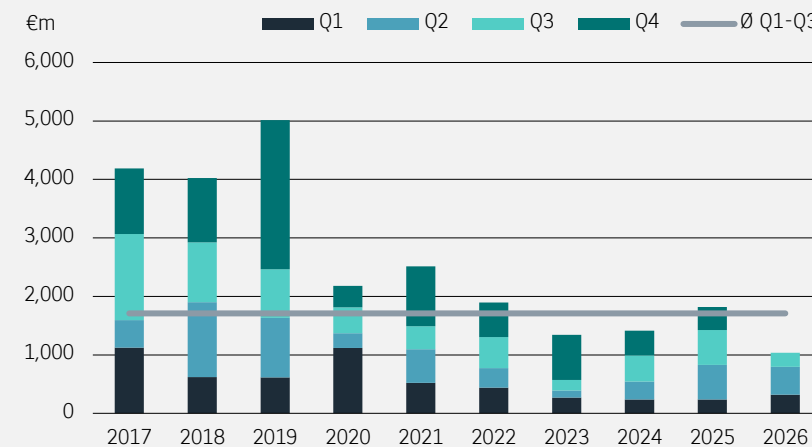
The hotel investment market presented a mixed picture after the first three quarters. On the one hand, the absence of major volume drivers resulted in a transaction volume of around €1 billion, down just over 27% on the strong prior-year period. On the other hand, deal activity painted a very different and significantly more positive picture of market sentiment. By the end of September 2026, around 27% more transactions had been recorded than in 2025, marking the highest deal count for the first three quarters since 2022.

Accordingly, market momentum in the hotel sector has by no means weakened but is currently characterized by many smaller transactions. All deal-size categories up to €50 million recorded increases of around 30%, while transaction volume in the segment above €50 million fell by almost 65%. The largest deals included the sale of 11 Pentahotels in Germany, Belgium and France, six of which are in Germany, as well as the Intercity and Excelsior hotel transactions near Frankfurt and Munich central stations, both advised by BNPPRE.

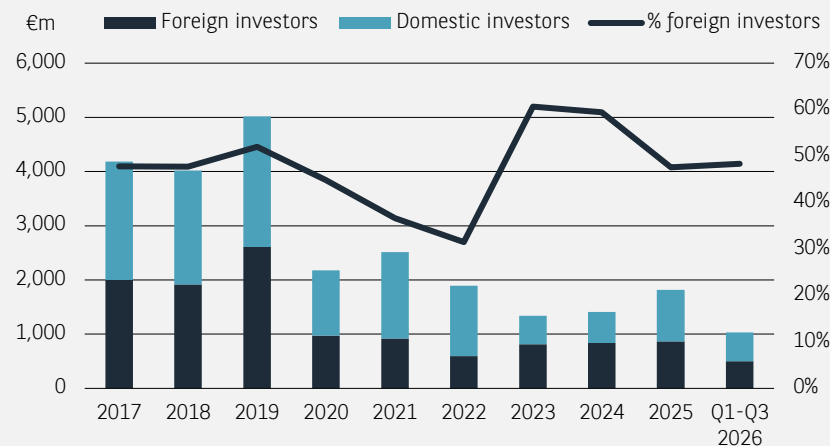
International investors show a similar pattern to the overall market: strong activity is reflected in the higher number of deals rather than in transaction volume. Foreign investors have invested around €500 million so far, accounting for just over 48% of total volume.



Development of hotel investment volume



Share of foreign investors





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HOTEL INVESTMENT MARKET
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- A-CITIES: LIVELY MARKET ACTIVITY DESPITE LACK OF LARGE DEALS
- OVERNIGHT STAYS REMAIN AT A HIGH LEVEL

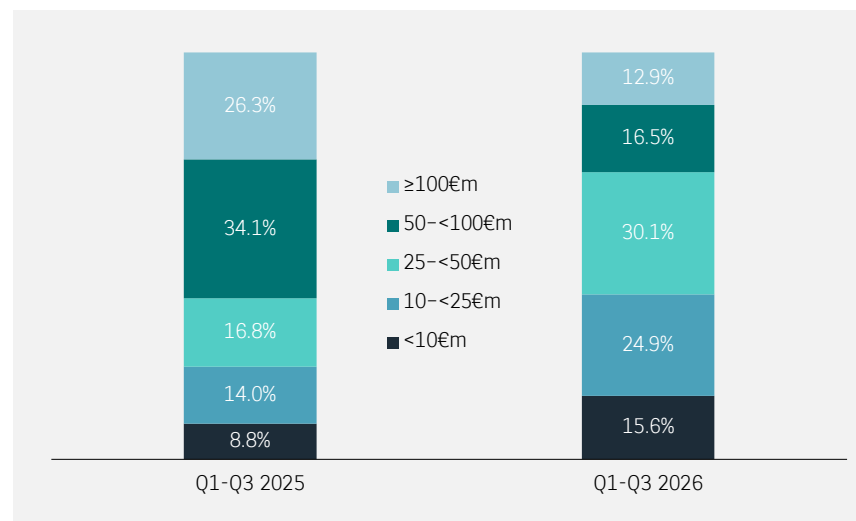
INVESTMENT MARKET STRUCTURE

Investor interest in hotel investments across Germany's tourism and business-focused A-cities remains strong, as reflected in more than 20 successfully completed transactions to date. Nevertheless, investment volume across the A-cities totals only around €508 million, down almost 37% compared with the same period last year. This decline is primarily due to the low number of transactions above €50 million. The market is still lacking the large-volume core deals with landmark character that shaped activity throughout much of 2025. A limited supply of premium properties and lengthy, highly selective acquisition processes continue to restrict transaction activity in this segment.

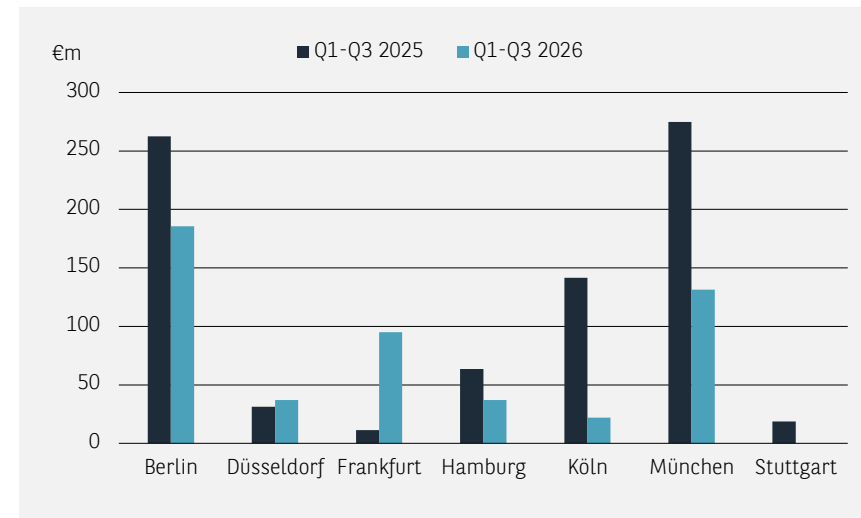
Looking at the individual cities, Berlin currently stands out. Berlin benefits from many smaller properties across a wide range of hotel formats, from budget to more upscale concepts and operators, generating an investment volume of €186 million. Munich also recorded substantial investment activity at €131 million, driven by the Excelsior Hotel as well as transactions in the serviced apartment sector. Frankfurt (€95 million), Hamburg and Düsseldorf (€37 million each) and Cologne (€22 million) remain below the €100 million and €50 million marks, respectively.

Hotel performance indicators continue to send positive signals, including overnight stays. Five of the seven tourism hotspots analyzed recorded stable or slightly higher figures in the first half of the year compared with 2025.

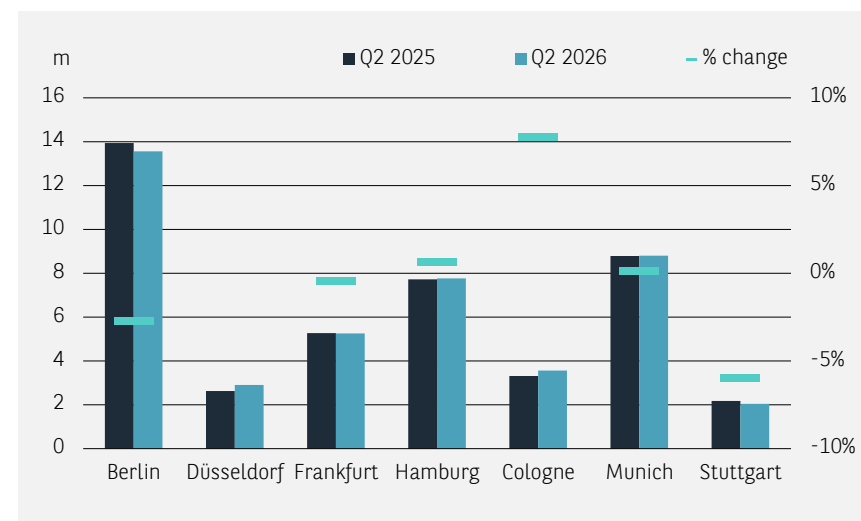
Hotel investments by € category



Hotel investments in A-locations



Overnight stays in A-locations





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HOTEL INVESTMENT MARKET GERMANY

- **STRONG VISITOR NUMBERS
CONTINUE TO PROVIDE TAILWINDS**
- **MOMENTUM REMAINS STRONG,
PARTICULARLY IN THE SMALLER-
DEAL SEGMENT**

ECONOMIC INDICATORS

+1.4

GDP Forecast 2026
(in %)

3.25

10ys bond yield
Q3 2026 (in %)

89.9

ifo business climate index
(9/2026)

△ +24bps q/q

△ +1.1pts m/m

Source: ifo economic forecast, Deutsche Bundesbank, ifo Institut

OUTLOOK

Although the transaction volume recorded in the first nine months of 2026 may suggest otherwise, the outlook for the German hotel investment market remains positive. In particular, the 27% year-on-year increase in the number of deals represents a new high compared with the other major asset classes, including office, retail and logistics.

Strong visitor numbers and the resulting positive performance of key indicators such as occupancy rates, ADR and RevPAR provide a solid basis for stronger investment activity. Germany's buoyant domestic tourism market is a key driver, with nationwide overnight stays reaching a new record in the first half of the year. Nevertheless, investors remain highly selective in their acquisition decisions. Operator, concept and performance need to be convincing, while location, market and property quality are considered in the pricing of a successful transaction at a later stage.

For 2026, nationwide hotel investment volume is expected to reach around €1.5 billion. Transactions currently in the pipeline, several of which are close to the €100 million mark, indicate that deal activity could gain further momentum in the fourth quarter, with larger transactions in particular expected to provide a noticeable boost to investment volume.



Investment market data

	Q1-Q3 2025	Q1-Q3 2026	CHANGE
Total (€m)	1,426	1,034	-27.4%
Portfolio share	26.6%	15.0%	-11.6%pts
Share above €100 million	26.3%	12.9%	-13.4%pts
Share of A-cities	56.4%	49.1%	-7.2%pts
Share of foreign investors	59.4%	48.3%	-11.1%pts



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CONTACT

BNP Paribas Real Estate GmbH

Alexander Trobitz
Head of Hotel Services
Managing Director

Goetheplatz 4 | 60311 Frankfurt
Phone: +49 (0)69-298 99-0
E-Mail: alexander.trobitz@bnpparibas.com

Inga Schwarz

Head of Research
inga.schwarz@bnpparibas.com



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